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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, February 15, 2002

JOINT PETITION OF

CASE NO. PUA010055

VARTEC TELECOM, INC.,

VARTEC TELECOM HOLDING COMPANY,

TELEGLOBE HOLDINGS (U.S.) CORPORATION,

EXCEL TELECOMMUNICATIONS, INC.,

EXCEL TELECOMMUNICATIONS OF VIRGINIA, INC.,

EMERITUS COMMUNICATIONS, INC.,

and

LONG DISTANCE WHOLESALE CLUB, INC.

For approval of transfer of control

**ORDER GRANTING APPROVAL**

On October 23, 2001, VarTec Telecom, Inc. ("VarTec"), VarTec Telecom Holding Company ("VarTec Holding"), Teleglobe Holdings (U.S.) Corporation ("Teleglobe Holdings"), Excel Telecommunications, Inc. ("Excel"), Excel Telecommunications of Virginia, Inc. ("Excel of Virginia"), eMeritus Communications, Inc. f/k/a Teleglobe Business Solutions, Inc. f/k/a Telco Holdings, Inc. d/b/a Dial & Save Corp. ("eMeritus"), and Long Distance Wholesale Club, Inc. ("LDWC"), (collectively, the "Petitioners") filed a joint petition with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, §§ 56-88.1 and 56-90 of the Code of Virginia ("Code"). Petitioners request approval of a transaction pursuant to which

VarTec Telecom, through its wholly owned subsidiary, VarTec Holding, will acquire control of affiliated telecommunications companies Excel, Excel of Virginia, eMeritus, and LDWC.

VarTec is a Texas corporation that provides resold intrastate interexchange services in Virginia. VarTec Holding, a Delaware corporation, is a wholly owned subsidiary of VarTec. VarTec Holding does not hold any authorizations to provide service in Virginia.

Teleglobe Holdings, a Delaware corporation, is a wholly owned subsidiary of Teleglobe, Inc. (“Teleglobe”), a Canadian corporation. Teleglobe is a holding company with interests in two principal business segments grouped under the Teleglobe Communications group and Excel Communications group. Teleglobe states that its core target market consists of international carrier customers and that the intrastate operations of the Teleglobe Communications group are not significant.

eMeritus is a Delaware corporation headquartered in Texas. eMeritus provides resold intrastate interexchange services that are primarily targeted towards corporate customers.

Excel of Virginia is a wholly owned subsidiary of Excel. Excel is a Texas corporation, and Excel of Virginia is a Virginia corporation. The headquarters of both companies are located in Dallas, Texas. In Virginia, Excel of Virginia holds a certificate of public convenience and necessity (“CPCN”) to provide local exchange telecommunications services. Excel owns and operates a nationwide, facilities-based telecommunications network and provides resold intrastate interexchange services in Virginia.

LDWC is a Delaware corporation headquartered in Dallas, Texas. LDWC provides resold intrastate interexchange services in Virginia and provides dial-around (1010-XXX) interexchange service.

Currently, Teleglobe Holdings owns all of the common stock of Excel Communications, Inc., and , through its ownership of intermediary companies, controls 100% of the equity of Excel, Excel of Virginia, eMeritus, and LDWC. Therefore, Teleglobe Holdings indirectly owns and controls Excel, Excel of Virginia, eMeritus, and LDWC.

The Petitioners request that the Commission approve a transaction that will result in VarTec, through its subsidiary, VarTec Holding, acquiring control of affiliated telecommunications companies Excel of Virginia, Excel, eMeritus, and LDWC. On August 26, 2001, VarTec, VarTec Holding, Teleglobe, Teleglobe Holdings, Excel Communications, Inc., Excel Telecommunications (Canada) Inc., and BCE Inc., executed a Stock Purchase Agreement (the “Agreement”). Pursuant to that Agreement, VarTec Holding agreed to acquire from Teleglobe Holdings all of the authorized capital stock of Excel Communications, Inc. Thus, the transaction will result in an indirect change in control of Excel of Virginia, the only entity for which Commission approval is required pursuant to § 56-88.1 of the Code. VarTec Holding also agreed to acquire from Teleglobe all of the authorized capital stock of Excel Telecommunications (Canada) Inc..

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the transaction, as described herein, involving VarTec Holdings’ acquisition from Teleglobe Holdings of all the authorized capital stock of Excel Communications, Inc., and the resulting indirect transfer of control of Excel of Virginia will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the indirect transfer of control of Excel of Virginia, as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.